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Daily Report – Romania

Date: 20.01.2017

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,289.73	↑ 0.91	↑ 2.04
BET-TR	9,004.79	↑ 0.91	↑ 2.04
BET-FI	30,880.02	↑ 0.15	↑ 1.21
BET-XT	661.76	↑ 0.90	↑ 1.74
TLV	2.2700	⇒ 0.00	↑ 0.22
SNG	26.5000	↑ 3.11	↑ 5.58
SNP	0.2890	↑ 2.12	↑ 3.21
TGN	299.0000	⇒ 0.00	↑ 1.36
FP	0.8640	↓ -0.46	↑ 3.60

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.74	⇒ 0.0	↓ -1.5
12 month	0.97	↑ 0.5	⇒ 0.0
3 year	1.57	↓ -0.5	↓ -1.0
5 year	2.49	↑ 1.0	↓ -1.0
10 year	3.40	⇒ 0.0	↓ -8.5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	6M	RON 500 mn	
Thursday	10.7Y	RON 300 mn	

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.40	↓ -1.0	↓ -3.0
3M ROBOR	0.82	⇒ 0.0	⇒ 0.0
6M ROBOR	1.06	↓ -1.0	↓ -2.0
1Y ROBOR	1.23	⇒ 0.0	↓ -1.0
5Y CDS	94.94	↓ -1.3	↓ -1.3

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4955	↓ -0.02	↑ 0.02
USD/RON	4.2035	↓ -0.39	↓ -0.50
CHF/RON	4.1941	↑ 0.10	↑ 0.10
100HUF/RON	0.0145	↓ -0.33	↓ -0.54

Sources: Reuters, OTP Research

Summary

- Fitch affirmed Romania's investment grade at "BBB-", but it also warned of the risk of a higher-than-3% budget deficit.
- The greenback slightly weakened after the inauguration speech of Mr Donald Trump.
- Romania's leu finished last week practically flat against the euro.
- The MoF puts up for sale RON 500 mn debt today.
- Bucharest's BET outperformed its global peers, adding 0.9%.

Fitch affirmed Romania's long-term rating at "BBB-" with stable outlook, in line with expectations. Nonetheless, the agency drew attention to the uncertainties about the government budget, highlighting the continued pro-cyclical fiscal easing measures. Due to the rising pressures coming from this stimulus package, the deficit may exceed the 3% threshold. Therefore additional actions are required to keep the gap under the 3% level, according to the experts of the agency. The press release also notes that in order to achieve this objective and to fulfill the electoral promises too, most likely capital expenditures could be scaled back.

On the last trading session of the week, primarily the inauguration speech of Mr Donald Trump was in the focus of investors. The US dollar lost some ground after the President's oath, with the EUR/USD finishing the day around 1.07. Mr Trump provided little new details about his economic plans, reiterating earlier protectionist comments. On the domestic front, the EUR/RON continued to be traded in a tight range, ending practically flat both on daily basis as well as in weekly comparison.

Today the Ministry of Finance aims to borrow RON 500 mn in a government security auction.

On Friday, the main Western European equity indices pointed to small changes, with investors waiting for the inauguration speech of Mr Donald Trump as the 45th president of the United States. At the end of the day, Germany's DAX stood 0.3% higher, while its French peer, the CAC 40 added 0.2%. At the same time, the FTSE100 closed down (-0.1%). In Bucharest, stocks performed quite well, with the BET increasing 0.9%, as among its individual components only the shares of the FP finished in negative territory. In the USA, the key equity benchmark inched slightly higher.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
19-Jan	Thursday		no data		
20-Jan	Friday		no data		
23-Jan	Monday		no data		
24-Jan	Tuesday		no data		
25-Jan	Wednesday	December	M3 (broad money, YoY%)		11.9
		December	Non-government loans (YoY%)		1.0
		December	Non-government deposits (YoY%)		10.9
		December	New commercial vehicle registrations (YoY%)		10.3

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		19-Jan-17					
Investment funds	ccy	last NAV/U	1m%		Ytd%		52W%
OTP AvantisRO	RON	9.2802	↑ 2.06	↑	1.48	↑	19.55
OTP Obligatiuni	RON	14.6941	↑ 0.22	↑	0.13	↑	2.87
OTP ComodisRO	RON	17.1144	↑ 0.08	↑	0.06	↑	1.38
OTP Euro Bond	EUR	12.6681	↑ 0.26	↑	0.16	↑	2.02
OTP Dollar Bond	USD	10.8558	↑ 0.19	↑	0.04	↑	2.70
OTP Premium Return	RON	11.1922	↑ 0.99	↑	0.30	↑	6.78
OTP Euro Premium Return	EUR	9.9168	↓ -0.77	↓	-0.46	↑	1.47
OTP Global Mix	RON	10.7377	↓ -0.51	↓	-0.53	↑	8.13

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